

State of Rhode Island
Department of Administration

OFFICE OF ACCOUNTS AND CONTROL

SECTION
3

POLICY/PROCEDURE NUMBER
3.15

SUBSECTION

EFFECTIVE DATE / PAGE NUMBER
January 1, 2008 / 1 of 3

POLICY / PROCEDURE
PAYROLL DEDUCTION
-RIPTA Transit Pass

AMENDMENT / REVISION
2 January 1, 2014

BACKGROUND

Section 36-6-21 of the Rhode Island General Laws: The state controller is hereby authorized and directed to make appropriate salary deductions effective January 1, 2008 and to adopt appropriate provisions to establish a transportation fringe benefit program that offers qualified state employees the option to exclude from taxable wages and compensation, consistent with section 132 of title 26 of the United States Code employee commuting costs incurred from the purchase of RIPTA commuting passes, not to exceed the maximum level allowed by law. The transportation fringe benefit program shall not require the state to pay for the mass transportation commuting costs of state employees but may require the state controller to make appropriate payroll deductions.

POLICY

In accordance with federal and state law, employees are allowed to elect a payroll deduction from their biweekly earnings to purchase and pay for transit passes issued by the Rhode Island Public Transit Authority (RIPTA) for their personal use only. The RIPTA transit passes may be used for bus transit services operated by RIPTA. Also, regular RIPTA transit passes are honored on Providence LINK trolleys.

This biweekly payroll deduction will be made on a pre-tax basis. This means that the amount deducted to purchase transit passes is exempt from federal and Rhode Island income taxes and is exempt from FICA taxes.

An employee will be allowed to purchase RIPTA transit passes via a payroll deduction for their personal use only. An employee can elect to purchase any of the following RIPTA transit passes via a biweekly payroll deduction:

- 15-RIDE PASS @ \$26 each - An employee can purchase a maximum of three 15-RIDE passes every second payday. (3 - 15 RIDE passes X \$26 = \$78 or \$39 payroll deduction each biweekly payday).
- MONTHLY PASS @ \$62 each- An employee can purchase a maximum of one MONTHLY pass every second payday. (1- MONTHLY pass X \$62 = \$62 or \$31 payroll deduction each biweekly payday).

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NOTE: Employees will be prepaying for their transit passes in accordance with the accompanying schedule.

PROCEDURES

STARTING A PAYROLL DEDUCTION

An employee will complete, sign and submit a payroll deduction authorization form to his/her agency payroll office AND ALLOW AT LEAST TWO (2) PAYROLL PERIODS FOR THEIR REQUEST TO BE PROCESSED.

The agency payroll office will forward the completed form to the Office of Accounts and Control central payroll office.

The Office of Accounts and Control central payroll office will update the employee's payroll file to start the requested payroll deduction on the first of each two payroll period cycle. If a payroll deduction authorization form is received on the second of each two-payroll period cycle, the Office of Accounts and Control central payroll office will wait until the next cycle to update the employee's payroll record to begin the deduction.

PURCHASE/DISTRIBUTION OF TRANSIT PASS

In accordance with the accompanying schedule the Office of Accounts and Control will compile all payroll deduction amounts for transit passes along with a list of transit pass types by employee and transmit both to RIPTA.

RIPTA will return to the Office of the General Treasurer the transit passes that were purchased for distribution to agency payroll offices.
The Office of the General Treasurer will distribute the transit passes purchased to each agency payroll office prior to the start of the month for which the passes will be effective.

The agency payroll office will distribute the transit passes purchased to its employees with their payroll checks prior to the start of the month for which the passes will be effective.

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ANY TRANSIT PASSES UNCLAIMED BY EMPLOYEES WILL BE RETURNED TO RIPTA.

IT IS THE EMPLOYEE'S RESPONSIBILITY TO OBTAIN A REFUND DIRECTLY FROM RIPTA (IF PERMITTED BY RIPTA) FOR ANY UNWANTED OR UNUSED TRANSIT PASSES ONCE A TRANSIT PASS HAS BEEN PURCHASED ON BEHALF OF AN EMPLOYEE VIA A PAYROLL DEDUCTION.

STOPPING A PAYROLL DEDUCTION

An employee will complete, sign and submit a payroll deduction authorization form to his/her agency payroll office AND ALLOW AT LEAST TWO (2) PAYROLL PERIODS FOR YOUR REQUEST TO BE PROCESSED.

The agency payroll office will forward the form to the Office of Accounts and Control central payroll office.

The Office of Accounts and Control central payroll office will update the employee's payroll file to stop the requested payroll deduction on the first of each two payroll period cycle. If a payroll deduction authorization form is received on the second of each two-payroll period cycle, the Office of Accounts and Control central payroll office will wait until the next cycle to update the employee's payroll record to stop the deduction.

AVAILABILITY OF PAYROLL DEDUCTION FORM

The form to start or stop a payroll deduction for the purchase of RIPTA transit passes is available on the Office of Accounts and Control web site (<http://controller.admin.ri.gov>) on the "FORMS" page under "PAYROLL" forms.